

Decision No. 45350**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
WILLIG FREIGHT LINES for Authority	:	Application
to Execute Conditional Sales Contracts)	No. 32080
and Chattel Mortgages.	:	
-----)	

O P I N I O N

In this application, the Commission is asked to make an order authorizing Willig Freight Lines to execute evidences of indebtedness providing for the payment, in the aggregate, of the sum of \$30,950.94.

Applicant is a California corporation organized on February 5, 1923. For many years it has been engaged in business as a highway common carrier for the transportation of property between San Francisco and Fort Bragg and other points. It reports its operating revenues for the first ten months of 1950 at \$162,203.69, as compared with operating revenues for the corresponding period in 1949 of \$149,298.71, with net income for the ten-month period of 1950 of \$31,567.05, before provision for income taxes, as compared with a loss for the 1949 period of \$453.76. Its assets and liabilities as of October 31, 1950, are reported in Exhibit F as follows:

Assets

Current assets		\$ 25,371.08
Tangible property -		
Carrier operating property	\$114,094.41	
Less: depreciation reserve	<u>47,267.28</u>	
Net tangible property		66,827.13
Intangible property		578.75
Prepayments		11,116.01
Deferred debits		<u>2,500.00</u>
	Total assets	<u>\$106,392.97</u>

Liabilities

Current liabilities	\$ 18,499.75
Long-term obligations	36,600.38
Deferred credits	866.67
Common stock	25,000.00
Surplus	<u>25,426.17</u>
Total liabilities	<u>\$106,392.97</u>

The present application shows, among other things, that for the purpose of financing the cost of equipment and of providing working capital, applicant heretofore executed a mortgage of chattels and four conditional sales contracts providing for the payment, in the aggregate, of \$46,575.50 over periods in excess of twelve months, which amount since has been reduced to \$30,950.94.

Applicant did not obtain from this Commission authorization to incur this indebtedness. It now reports that it proposes to re-execute the several instruments to the payees and in the amounts which it reports will remain unpaid on March 1, 1951, as listed in the following tabulation:

<u>Payee</u>	<u>No. Month-ly Install-ments</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance Due Mar. 1, 1951</u>
The Morris Plan	24	\$13,200.00	6 %	\$ 2,750.00
Yellow Mfg. Accept. Corp.	24	1,895.57	6 %	1,342.64
Bank of America	42	14,792.18	3-1/4%	12,678.84
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Yellow Mfg. Accept. Corp.	24	<u>1,895.57</u>	6 %	<u>1,500.62</u>
Totals		<u>\$46,575.50</u>		<u>\$30,950.94</u>

It appears that applicant's failure to obtain the authorization of the Commission was through inadvertence and with no intent to evade the provisions of the Public Utilities Act. Accordingly, an order will be entered in this matter in line with applicant's request.

ORDER

The Commission having considered the above entitled matter, and being of the opinion that a public hearing thereon is not

necessary; that the application should be granted, as herein provided; that the money, property or labor to be procured or paid for through the execution of the conditional sales contracts and mortgage of chattels herein authorized is reasonably required by applicant for the purpose specified herein; and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

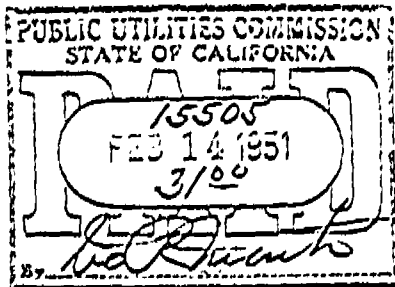
IT IS HEREBY ORDERED as follows:

1. Willig Freight Lines, after the effective date hereof and on or before June 30, 1951, may execute a mortgage of chattels and four conditional sales contracts providing for deferred payments of \$30,950.94, in substantially the same form as those filed in this proceeding, for the purpose indicated herein.

2. Applicant shall file with the Commission a copy of each document executed under the authority herein granted, such filing to be made within thirty (30) days after the date of each of such documents so executed.

3. The authority herein granted will become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is thirty-one (\$31.00) dollars.

Dated at San Francisco, California, this 13th day of February, 1951.



Handwritten signatures of R. F. Johnson, Justice J. C. Brewer, Harold A. Liles, Kenneth H. Brown, and John C. Mitchell, Commissioners.